

Rocky Mtn Gas Projects Win Environmental Nod From FERC Staff

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WASHINGTON (Dow Jones)--U.S. Federal Energy Regulatory Commission staffers Friday gave an environmental nod to three natural gas pipeline projects that all aim to help ship supply from the Rocky Mountains to major markets in the Midwest and eastern U.S.

Staffers released favorable environmental reviews on the western phase of a major Rockies Express pipeline project being sponsored by ConocoPhillips (COP), Sempra Energy (SRE) and Kinder Morgan Energy Partners LP (KMP). The project would include new pipeline facilities in Colorado, Wyoming, Nebraska, Kansas and Missouri.

Meanwhile, FERC staffers also found to be environmentally-acceptable Kinder Morgan's plans to expand its interstate pipeline system to support flows from the Rockies Express project.

A natural gas pipeline expansion project by Questar Corp.'s (STR) Overthrust Pipeline to expand its existing facilities in Wyoming also won a nod from FERC aides.

Although the three projects were submitted by individual sponsors, FERC staffers reviewed the three projects together in an environmental report known as a final environmental impact statement.

They noted that the commission "views the proposed facilities as interconnected projects that are necessary components of a larger, combined natural gas transportation system."

Overall, they found that with certain mitigation measures, the projects "would have limited adverse environmental impact(s) and would be an environmentally acceptable action."

The projects would still need to win approval from the majority of FERC's members to proceed.

-By Maya Jackson Randall, Dow Jones Newswires;